NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)
FINANCE SUBCOMMITTEE
Please provide the best available call-in number to the Executive Assistant prior to the meeting.

July 24, 2015
9:00 a.m. - 11:00 a.m.

Executive Conference Room
1327 N. Riverside Drive
Espanola, NM 87532

AGENDA

CALL TO ORDER: Tim Vigil, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Discussion and Review of the NCRTD Quarterly Investment Report**
Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director.
Attachment.

B. **Minutes from May 22, 2015**
Draft Minutes.

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language Interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

Memorandum

To: Finance Committee
From: Troy Bingham, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: July 24, 2015
Re: **Investment of District Funds and the State of New Mexico Local Government Investment Pool Report Summary.**

Background:

Early in 2014 the NCRTD began participating in the LGIP government investment fund, known as the New MexiGROW Local Government Investment Pool or LGIP, and other Certificate of Deposits from local and surrounding banks in New Mexico. The NCRTD established the short-term investments (no more than 12 months) throughout various FDIC insured institutions in the state of New Mexico. The initial amount invested was $5,975,492.

Summary:

- As of March 31, 2015, the total investment inclusive of interest revenue was $5,994,144.
- Total earnings from interest total $18,651.91 since the inception of the investment program.
- The average rate of return is .32%.
- The highest earned income is .70% with US Eagle FCU (6 month term) earning the district a total of $1,561.71 in interest.
- The current quarter from December through March of 2015 earned a total of $6,096.24 in interest.
- NCRTD renewed 8 of its Certificate of Deposits with Los Alamos National Bank and extended the agreements to 12 months. The initial agreements ranged from 3 to 9 months.

	Amount Invested YTD	Earnings	% of portfolio
LGIP	1,903,704.77	2,411.77	32%
3-5 month CD	250,528.94	528.94	4%
6-8 month CD	502,692.07	2,692.07	8%
9-11 month CD	0	0	0%
12 month CD	3,337,218.13	13,019.13	56%
Total	**$ 5,994,143.91**	**18,651.91**	

The District investment strategy is passive. Given this strategy, NCRTD has determined the market yields are being achieved by comparing the average District portfolio yield to the one-year U.S. Treasury Bill. As of March 31, 2015 the one-year treasury rates were .27%, the District is averaging a rate of return at .32%

Recommendation:

It is recommended that the Finance Committee discuss and review the information presented in relation to the LGIP and the Certificate of Deposit Investment report, and recommend the Board of Directors review the information presented.

Attachment:

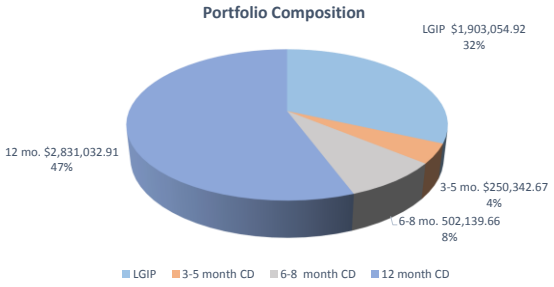
- NCRTD Investment Report as of March 31, 2015

North Central Regional Transit District
Certificate of Deposit Report
31-Mar-15

Current CD investments

	Date opened	Term/ mos	Expiration Date	Rate	Amount invested	Earnings as of 9-30-14	Earnings/10-1-14 thru 12-31-14	Earnings 1-1-15 thru 3-31-15	Earnings 4-1-15 thru 6-30-15	YTD Total Earnings	Investment Balance 3/31/2015	
12 months												
Los Alamos National Bank	7/4/2014	12	7/4/2015	0.40%	250,000.00	109.77	54.66	669.28		833.71	250,833.71	(1)
Los Alamos National Bank	8/3/2014	12	8/3/2015	0.40%	250,000.00	171.32	85.66	584.46		841.44	250,841.44	(1)
Los Alamos National Bank	9/2/2014	12	9/2/2015	0.40%	250,000.00	205.60	102.80	499.48		807.88	250,807.88	(1)
Los Alamos National Bank	10/2/2014	12	10/3/2015	0.40%	250,000.00	380.42	221.63	247.25		849.30	250,849.30	(1)
Los Alamos National Bank	11/1/2014	12	11/1/2015	0.40%	250,000.00	380.42	113.41	331.96		825.79	250,825.79	(1)
Los Alamos National Bank	12/1/2014	12	12/1/2015	0.40%	250,000.00	443.88	204.21	249.96		898.05	250,898.05	(1)
Los Alamos National Bank	12/31/2014	12	12/31/2015	0.40%	250,000.00	443.88	276.33	250.11		970.32	250,970.32	(1)
Los Alamos National Bank	1/30/2015	12	1/30/2016	0.40%	250,000.00	507.36	249.94	313.44		1,070.74	251,070.74	(1)
Washington Federal Bank	2/27/2015	12	2/27/2016	0.40%	250,000.00	581.50	252.76	247.51		1,081.77	251,081.77	
State Employees Credit Union	2/28/2015	12	2/28/2016	**0.55%**	250,000.00	810.74	347.70	340.72		1,499.16	251,499.16	
Los Alamos National Bank	3/6/2015	12	3/6/2016	0.40%	574,199.00	1,165.30	574.07	726.27		2,465.64	576,664.64	
	4/1/2015											
	5/1/2015										-	
Los Alamos National Bank	6/4/2015	12	6/4/2016	0.40%	250,000.00	378.28	249.78	247.27		875.33	250,875.33	(1)
	12 Month/Total		***Average rate***	**0.41%**	**$ 3,324,199.00**	**5,578.47**	**2,732.95**	**4,707.71**	**-**	**$ 13,019.13**	**$ 3,337,218.13**	
6-8 months												
Guadalupe CU	4/28/2015	7	11/29/2015	**0.45%**	250,000.00	654.12	197.81	278.43		1,130.36	251,130.36	
US Eagle FCU	2/20/2015	6	8/21/2015	**0.70%**	250,000.00	1,002.87	284.86	273.98		1,561.71	251,561.71	
	6-8 Month/Total		***Average rate***	**0.58%**	**500,000.00**	**1,656.99**	**482.67**	**552.41**	**-**	**2,692.07**	**502,692.07**	
3-5 months												
Bank of New Mexico	5/21/2015	3	8/21/2015	0.15%	250,000.00	248.04	94.63	186.27		528.94	250,528.94	
	3-5 Month/Total		***Average rate***	**0.15%**	**250,000.00**	**248.04**	**94.63**	**186.27**	**-**	**528.94**	**250,528.94**	
			Short term Investment		**4,074,199.00**	**7,483.50**	**3,310.25**	**5,446.39**	**-**	**16,240.14**	**4,090,439.14**	
			LGIP	0.12%	1,901,293.00	1,167.18	594.74	649.85		2,411.77	1,903,704.77	
					$ 5,975,492.00	**8,650.68**	**3,904.99**	**6,096.24**	**-**	**18,651.91**	**5,994,143.91**	

(1) CDs converted to 12 months.



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Average Rate of Return	0.32%
Current Quarterly Earnings January-March 2015	6,096.24
Fiscal YTD Earnings	18,651.91
+ Investment	**$ 5,994,143.91**

Finance Subcommittee

Meeting May 22, 2015

9:00 a.m.

Board Members Present (Telephonically): *Tim Vigil – Pueblo of Pojoaque, Councilor Pete Sheehey – Los Alamos County, Leandro Cordova - Taos County*

Staff Present: *Anthony Mortillaro – Executive Director, Troy Bingham – Finance Director, Dalene Lucero – Executive Assistant*

Guest(s) Present*:*

Absent: *Commissioner Alex Naranjo - Rio Arriba County, Commissioner Miguel Chavez – Santa Fe County*

Transcribed By: Dalene E. Lucero – Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

A regular Finance Subcommittee meeting was called to order on the above date by Mr. Vigil at 9:00 a.m.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Discussion and Review of FY16 Compensation Plan and Performance Increase Matrix

Mr. Mortillaro stated that annually, the Board adopts a Compensation Plan and Performance Increase Matrix. However, prior to it being adopted by the Board, it is also presented to the Finance Subcommittee for review. He continued, stating that the FY16 Compensation Plan is very similar to last years' documents in terms of the structure.

Mr. Mortillaro stated that in fiscal year 2014 the district budgeted for a 3.5% increase in compensation and pay indexed benefit costs. For fiscal year 2015 the same amount had been placed in the budget for compensation increases. For FY 2016 the Compensation Plan proposed a 3% overall budgetary impact in compensation costs, an adjustment of some pay ranges and reclassification changes that were outlined in the Budget summary. Mr. Mortillaro noted that this only pertained to non-represented employees, stating that the represented employees under the Collective Bargaining Agreement are set to receive a two (2) percent across the board increase and are not eligible for any increases based on performance. Whereas non-represented employees are.

Mr. Cordova joined the conference via telephone.

Mr. Mortillaro went on to reference page three (3) of the packet, stating that the changes in the FY2016 Compensation Plan were highlighted in yellow. He noted that the Projects and Grants Specialist position had been reclassified to a Planning, Projects and Grants Manager; this position

has been placed in a pay scale similar to the Public Information Officer. The Regional Transit Planner position is a newly added position that has been placed in the same pay scale as the Marketing and Communications Specialist; they have similar experience and degree requirements. Furthermore, the Fleet Mechanic is also that of a new position as a result of the Town of Taos Chile Line consolidation; the pay scale has been aligned with the Facilities Maintenance Specialist.

Mr. Mortillaro noted that there were no further adjustments at this time. The last compensation survey was conducted in July, 2013. Prior to that date a compensation study had not been undertaken since 2007. The District will be undertaking a compensation survey in FY 2016; only those changes that are deemed to be necessary have been made. It is likely that the survey once completed may have recommendations for other modifications, however those would be considered by the Board at a future date.

Mr. Vigil asked Mr. Mortillaro if he had any luck with the HR position since the last Board meeting.

Mr. Mortillaro stated that the position had not been advertised at all, it did however, remain posted on the NCRTD website. There have been a couple of applications come in since then, but the District has not acted on them at this point and time. The range for Human Resources Director has been upgraded based upon the difficulty we have had in recruiting for this position.

Mr. Vigil asked if there were any other questions from the other members.

Councilor Sheehey referenced the Performance Increase Matrix, stating that he knew the District had done the same thing last year, stating that if the employees are short to achieving expectations, employees do not get a raise, and employees who exceed expectations receive a raise. He noted that because the health care costs were expected to increase this year, if someone did not receive a raise at all they will experience a drop in take home pay. Councilor Sheehey asked what kind of percentage in employees would not be expected to receive an increase and would receive a drop in take home pay.

Mr. Mortillaro mentioned that the Performance Matrix only pertained to the non-represented employees; currently this was comprised of about seven (7) employees from Administration and about four (4) or five (5) from Operations totaling about twelve (12) or thirteen (13). In FY 15 the Performance Increase Matrix was evolved to provide for a differentiation of performance increases tied to certain performance scores; in the previous year it has been less refined. Mr. Mortillaro stated that it gets the message across that you have to meet your performance goals and criteria in order to see an increase. So far for FY 15, two employees were deemed to be performing below the threshold for an increase and received none, one employee received the full 4% for outstanding performance and several others have ranged from 2.5% to 3% based upon their performance scores. Not all performance reviews have been conducted for the fiscal year, but several more are upcoming.

Councilor Sheehey agreed and noted that it was fair. He then asked if there was a change in PERA contributions for this year.

Mr. Mortillaro stated there were none. Last year the District increased their PERA contributions substantially; employees only contribute about five (5) percent out of the twenty (20) percent of total contributions. The District covers approximately fifteen (15) percent.

Councilor Sheehey stated that everyone got a large increase in take-home pay.

Further discussion continued on this item.

Mr. Vigil asked if there were any further questions.

Mr. Cordova asked if the District was considering making the Compensation Plan for a three (3) year term. He noted that it seemed like once the compensation plan was actually implemented it really is about a three (3) year process. Mr. Cordova continued, stating that it seems like the District is pushing themselves to start over while still implementing the last plan.

Mr. Mortillaro stated that the Compensation Plan done in 2013, as soon as the Board adopted it was implemented. It really didn't increase anybody's compensation because most everyone was over and above the new minimum pay scale—the new entry rate of pay for the non-represented positions. He noted that at the end of the day there was only one position that was increased because they fell slightly below the new minimum, but it wasn't a big increase for them. It will be three years by the time the new Compensation Study is done, but from an implementation standpoint it doesn't take very long, provided that the recommendations are to move any employees up to the minimum of the pay scale if they fall below the new minimum. Mr. Mortillaro stated that he did not believe there had been much of a delay at all when it came to implementation.

There were no further comments.

Councilor Sheehey made a motion to forward the Compensation Plan and Performance Increase Matrix to the Board for approval. Mr. Cordova seconded the motion and it passed by unanimous voice vote (3-0).

B. Minutes from April 24, 2015

Councilor Sheehey made a motion to approve the minutes from April 24, 2015. Mr. Vigil seconded the motion and it passed by unanimous voice vote (3-0).

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

The Finance Subcommittee meeting was adjourned at 9:18 a.m.

The next Finance Subcommittee meeting will be held on July 24, 2015 at 9:00 a.m.